

SHREVEPORT REGIONAL SPORTS AUTHORITY**SHREVEPORT, LOUISIANA****DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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SHREVEPORT REGIONAL SPORTS AUTHORITY

SHREVEPORT, LOUISIANA

DECEMBER 31, 2006

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June 27, 2007

Board of Directors
Shreveport Regional Sports Authority
Shreveport, Louisiana

We have compiled the accompanying component unit financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of Shreveport Regional Sports Authority (the "Authority"), a component unit of the City of Shreveport, as of and for the year ended December 31, 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These component unit financial statements are the responsibility of the Authority's management.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Authority. We have not audited or reviewed the accompanying basic financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

The accompanying component unit financial statements have been prepared assuming that Authority will continue as a going concern. As discussed in Note 10 to the component unit financial statements, the Authority has experienced substantial recurring losses in the Proprietary Fund resulting in a fund equity deficiency in the current year. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described on Note 10. The component unit financial statements do not include any adjustments that might result from the outcome of this uncertainty.


Miller, Carpenter & Earnest, CPAs (APC)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section presents readers of the financial statements of the Shreveport Regional Sports Authority (Authority) with a narrative overview and analysis of its financial activities for the fiscal years ended December 31, 2006 and 2005. It is intended to serve as an introduction to the basic financial statements of the Authority, which statements consist of fund financial statements and notes thereto.

FINANCIAL HIGHLIGHTS

The Authority's net assets increased by \$110,468 or 36.24%.

The Authority's total revenues were \$301,908 in 2006 compared to \$238,377 in 2005.

During the year ended December 31, 2006, the Authority had total capital expenditures, excluding depreciation, of \$2,917.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets on Page 7 and the Statement of Activities on Page 8 provide information about the Authority as a whole. Fund financial statements start on Page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's more significant funds. The Authority is a component unit of the City of Shreveport because the City appoints all members of the governing board and has the ability to impose its will on them. The accompanying financial statements present information only on funds maintained by the Authority.

Reporting the Funds Maintained by the Authority as a Whole

Government-Wide Financial Statements

Our analysis of the funds maintained by the Authority as a whole begins on Page 7. The Statement of Net Assets and Statement of Activities report information about funds maintained by the Authority as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net assets and changes in them. The Authority's net assets – which are the difference between assets and liabilities – are one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating.

In both the Statement of Net Assets and Statement of Activities, we record the funds maintained by the Authority as governmental activities and business-type activities.

Governmental activities – expenses related to, and resources provided for the repayment of the Authority's general obligation bonds.

Business-type activities – revenues earned, resources provided for, and expenses incurred attracting and underwriting professional and amateur sporting events.

Reporting the Most Significant Funds Maintained by the Authority

Our analysis of the major funds maintained by the Authority begins on Page 9. The fund financial statements provide detailed information about the most significant funds maintained by the Authority – not the Authority as a whole. The Authority's funds use the following accounting approaches.

Governmental fund – All of the Authority's general activities are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances at year-end that are available for spending. This fund is reported using accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

Proprietary fund – All of the Authority's operations whose costs are expected to be recovered through user fees, or whereas the periodic determination of revenues earned and expenses incurred is appropriate for public policy, management control, and accountability. Such operations typically encompass various sporting events sponsored, managed, produced, or otherwise promoted by the Authority.

THE FUNDS MAINTAINED BY THE AUTHORITY AS A WHOLE

The Authority's total net assets changed from a year ago, increasing from \$(304,783) to \$(194,315). Our analysis below will focus on key elements of the total funds for the 2006 and 2005 years.

Table 1
Net Assets

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Current assets	650,071	632,670
Capital assets	3,517	1,319
Total assets	653,588	633,989
Current liabilities	847,903	938,772
Total liabilities	847,903	938,772
Net assets		
Investments in capital assets	3,517	1,319
Unrestricted	(197,832)	(306,102)
Total net assets	(194,315)	(304,783)

Net assets of the funds maintained by the Authority increased by \$110,468 or 36.24%

Table 2
Change in Net Assets

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Revenues		
Grants	225,000	180,000
Event ticket sales	2,332	11,635
Other event revenues	47,836	46,715
Miscellaneous	26,740	27
Total revenues	<u>301,908</u>	<u>238,377</u>
Expenses		
General governmental	165,786	167,310
Event	25,654	98,941
Total Expenses	<u>191,440</u>	<u>266,251</u>
Increase/(Decrease) in fund balance	<u>110,468</u>	<u>(27,874)</u>

CAPITAL ASSETS

At the end of 2006 and 2005, the Authority had invested \$3,517 and \$1,319 (net of accumulated depreciation) in capital assets from those funds maintained by the Authority.

Table 3
Capital Assets At Year End

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Office furniture and fixtures	12,677	12,677
Office equipment	19,241	16,324
Accumulated depreciation	<u>(28,401)</u>	<u>(27,682)</u>
	<u>3,517</u>	<u>1,319</u>
This year's major additions included:		
Furniture and fixtures	-	-
Computer equipment	2,917	-
Office cabinets	-	-
Office Equipment	-	-
Total	<u>2,917</u>	<u>-</u>

The Authority's net assets increased in 2006. Increases in net assets are due to additional revenues recognized through cooperative endeavor agreements in place and through aggressively managing the Authority's expenses.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Authority and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Shreveport Regional Sports Authority at 839 Kings Highway, Suite 200, Shreveport, Louisiana 71104.

FINANCIAL STATEMENTS

SHREVEPORT REGIONAL SPORTS AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

<u>ASSETS</u>	2006		
	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Cash-Note 2	\$ 11,467	\$ -	\$ 11,467
Employee advances	1,214	-	1,214
Due from other fund	637,390	-	637,390
Capital assets (net of accumulated depreciation)-Note 3	3,517	-	3,517
Total assets	653,588	-	653,588
<u>LIABILITIES</u>			
Accounts payable	8,969	40,000	48,969
Payroll liabilities	2,146	-	2,146
Notes payable	-	159,398	159,398
Due to other fund	-	637,390	637,390
Total liabilities	11,115	836,788	847,903
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	3,517	-	3,517
Unrestricted	638,956	(836,788)	(197,832)
Total net assets	642,473	(836,788)	(194,315)

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SHREVEPORT REGIONAL SPORTS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government			
Governmental activities:			
General Government	\$ 165,786	\$ -	\$ 226,734
Total governmental activities	165,786	-	226,734
Business-type activities:			
Sport Events	25,654	75,168	-
	25,654		-
Total primary government	\$ 191,440	\$ 75,168	\$ 226,734

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Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 60,948	\$ -	\$ 60,948
60,948	-	60,948
-	49,514	49,514
-	49,514	49,514
60,948	49,514	110,462

General Revenues			
Unrestricted investment earnings	6	-	6
Total general revenues	6	-	6
Change in net assets	60,954	49,514	110,468
Net assets -beginning	581,519	(886,302)	(304,783)
Net assets - ending	\$ 642,473	\$ (836,788)	\$ (194,315)

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SHREVEPORT REGIONAL SPORTS AUTHORITY

BALANCE SHEET-GOVERNMENTAL FUND

DECEMBER 31, 2006

<u>ASSETS</u>	<u>Governmental Funds</u>
Cash	\$ 11,467
Employee advances	1,214
Due from other fund	<u>637,390</u>
Total assets	<u>\$ 650,071</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts payable	\$ 8,969
Payroll liabilities	2,146
Deferred revenue	-
Total liabilities	<u>11,115</u>
Fund balances	
Fund balance unreserved and undesignated	<u>638,956</u>
Total fund equity	<u>638,956</u>
Total liabilities and fund balances	<u>\$ 650,071</u>
Fund balance	\$ 638,956
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<u>3,517</u>
Net assets of governmental activities	<u>\$ 642,473</u>

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SHREVEPORT REGIONAL SPORTS AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
<u>Revenues</u>	
Grants-City of Shreveport	\$ 225,000
Rent income	1,734
Interest	6
Total revenues	<u>226,740</u>
<u>Expenditures</u>	
Promotion of sports events:	
Dues	1,242
Insurance	11,013
Rent	18,720
Office supplies and postage	5,533
Telephone	6,406
Salaries and wages	89,790
Payroll taxes and benefits	19,431
Travel and promotion	9,973
Miscellaneous	50
Professional services	2,904
Capital assets	2,917
Licenses	5
Total expenditures	<u>167,984</u>
<u>Excess of revenues over expenditures</u>	58,756
<u>Fund balance at beginning of period</u>	<u>580,200</u>
<u>Fund balance at end of period</u>	<u>\$ 638,956</u>
 Amounts reported for governmental activities in the statements of activities are different because:	
Excess of revenues over expenditures	\$ 58,756
Governmental funds report capital outlays as expenditures. However in the statements of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.	<u>2,198</u>
Change in net assets of governmental activities	<u>\$ 60,954</u>

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SHREVEPORT REGIONAL SPORTS AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL-GOVERNMENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund		
	Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Grants-City of Shreveport	\$ 225,000	\$ 225,000	\$ -
Rent income	-	1,734	1,734
Interest	-	6	6
Total revenues	225,000	226,740	1,740
<u>Expenditures</u>			
Promotion of sports events:			
Dues	2,700	1,242	1,458
Insurance	22,240	11,013	11,227
Rent and utilities	18,720	18,720	-
Office supplies and postage	10,100	5,533	4,567
Telephone	7,000	6,406	594
Salaries and wages	90,990	89,790	1,200
Payroll taxes and benefits	23,941	19,431	4,510
Travel and promotion	8,800	9,973	(1,173)
Miscellaneous	540	50	490
Professional services	10,700	2,904	7,796
Capital expenditures	2,500	2,917	(417)
Licenses	5	5	-
Total expenditures	198,236	167,984	30,252
<u>Excess of revenues over expenditures</u>	26,764	58,756	31,992
<u>Fund balance at beginning</u>	580,200	580,200	-
<u>Fund balance at end</u>	\$ 606,964	\$ 638,956	\$ 31,992

See Accountants' Compilation Report

SHREVEPORT REGIONAL SPORTS AUTHORITY

STATEMENT OF NET ASSETS

PROPRIETARY FUND

DECEMBER 31, 2006

ASSETS

Cash	\$	-
Accounts receivable		-
Prepaid expenses		-
Total assets		-

LIABILITIES

Accounts payable	40,000
Notes payable	159,398
Due to other fund	637,390
Total liabilities	836,788

NET ASSETS

Unrestricted	(836,788)
Total net assets	(836,788)

Net assets of business-type activities \$ (836,788)

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SHREVEPORT REGIONAL SPORTS AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

Revenues

Sponsorships	\$ 35,293
Ticket sales and event income	14,875
Other income	25,000
Total Revenues	<u>75,168</u>

Expenses

Travel and lodging	81
Event services and supplies	10,112
Guarantee fees	10,863
Marketing and promotional	300
Postage and printing	2,590
Security	913
Meals and catering	795
Total expenses	<u>25,654</u>

Change in net assets 49,514

Total net assets-beginning (886,302)

Total net assets-ending \$ (836,788)

SHREVEPORT REGIONAL SPORTS AUTHORITY

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

Cash flows from operating activities:

Change in net assets	\$ 49,514
Adjustments to reconcile change in net assets to net cash (used) by operating activities:	
Decrease in accounts receivable	-
Decrease in accounts payable	(90,693)
Increase in due to other fund	15,486
Cash used in operating activities	<u>(25,693)</u>

Cash flows from financing activities:

Borrowing on long-term debt	<u>25,693</u>
Cash provided by financing activities	<u>25,693</u>

Net increase (decrease) in cash -

Cash at beginning of year -

Cash at end of year \$ -

See Accountants' Compilation Report

SHREVEPORT REGIONAL SPORTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

INTRODUCTION

The Shreveport Regional Sports Authority was incorporated on June 17, 1996 as a nonprofit economic development corporation under La. R.S. 33:9020 to promote the City of Shreveport and Northwest Louisiana as a tourist destination by attracting and underwriting professional and amateur sporting events. Operations began in October 1996. The Authority is governed by a board of directors consisting of 9 members, all of whom are appointed by the Mayor of Shreveport and confirmed by a majority of the Shreveport City Council. Members serve six-year terms and receive no compensation for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Shreveport Regional Sports Authority have been prepared in conformity with the U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

In January 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain significant changes in the Statement include the following:

For the first time the financial statement include:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the Authority's activities.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The Authority was required to implement the general provisions of the Statement in the year ended December 31, 2003.

B. REPORTING ENTITY

GASB Statement No. 14 establishes criteria for determining which component units should be considered part of the City of Shreveport for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City of Shreveport appoints all members of the governing board and has the ability to impose its will on them, the Authority was determined to be a component unit of the City of Shreveport, and reports its financial information under governmental accounting principles. The accompanying financial statements present information only on the funds maintained by Authority and do not represent information on the City, the general government services provided by that government unit, or the other governmental units that comprise the governmental reporting entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Investment income and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The Authority reports one governmental fund—the general fund—and one proprietary fund.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current resources measurement focus and the modified basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following in its proprietary fund:

The proprietary fund records revenues earned, resources provided for, and expenses incurred attracting and underwriting professional and amateur sporting events.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

Revenues

Grants from other governments are recorded as revenues in the general fund as they become measurable and available, as is interest income. Revenues are recorded as they are earned in the enterprise fund.

Expenditures

Expenditures in the general fund are generally recognized when the fund liability is incurred, as are those in the enterprise fund.

Other Financing Sources

Transfers between funds are not expected to be repaid and are accounted for as other financing sources. Debt proceeds are accounted for as other financing sources.

E. BUDGETS

The budget for the ensuing year is prepared by Authority personnel prior to December 31 of each year. The budget is then made available for public inspection at least 15 days prior to the budget's adoption during the Authority's regular December meeting. The budget is prepared on the modified accrual basis of accounting, and is legally adopted and amended, if necessary, by the Board of Directors. Unexpended appropriations lapse at year end and must be reappropriated in the following year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. The Authority deposits funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, obligations of the United States of America or its agencies, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are carried at fair value.

G. CAPITAL ASSETS

Capital assets which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Computer equipment	7 years
Office Furniture	7 years

H. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. PREPAID EXPENSES AND INVENTORIES

The Authority has elected to expense currently amounts paid in the general fund for future services, such as insurance and office supplies.

2. CASH

At December 31, 2006, the Authority has cash (book balances) in demand deposits that total \$11,467. These deposits are stated at cost, which approximates market value. All deposits are fully protected by FDIC insurance.

3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
Furniture and equipment	\$ 25,433	\$ 2,917	-	\$ 28,350
Weight lifting equipment	3,568	-	-	3,568
	<u>\$ 29,001</u>	<u>\$ 2,917</u>	<u>-</u>	<u>\$ 31,918</u>

4. LITIGATION AND CLAIMS

At December 31, 2006, the Authority was not involved in any material litigation and was not aware of any material claims.

5. COMPENSATED ABSENCES

Employees generally accrue annual leave under the following schedule:

<u>Length of Service</u>	<u>Annual Leave Accrual</u>
Less than one year	.42 days per month
From one to five years	Two weeks per year
From four to five years	Three weeks per year
From six to ten years	Four weeks per year
Eleven years or more	Five weeks per year

Unused annual leave may not be carried forward to the succeeding fiscal year.

6. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past two years.

7. LEASE COMMITMENTS

The Authority still has only two operating leases: one for office space and one for equipment. Future minimum lease payments are as follows:

2007	\$	21,125
2008		21,125
2009		2,405
2010		2,405
Total future minimum lease payments	\$	<u>47,060</u>

8. BUDGET VARIANCE

During 2006, the Authority experienced several significant variances from budgeted amounts shown on Page 11. Overall, the Authority experienced a positive variance in excess of revenues over expenditures. This positive variance was due primarily to insurance expense and auditing and accounting expense. Insurance is under budget showing a positive variance due to the Authority's continued expectation of increased insurance should events be added that would cause the annual premium to exceed a pre-determined coverage amount. The insurance budget has not been revised since 2001 due to the Authority's insurance representatives advising that insurance costs will continue to rise in the future years due to September 11, 2001. Professional services were also under budget due to a decrease in legal fees. In 2003, the Shreveport Sports Authority had additional legal fees due to a facility contract dispute related to an event. The dispute was settled in 2003. Other expenses with a favorable variance due to conscious expense reduction include office supplies and postage, printing, travel and promotion, marketing, conferences, and miscellaneous expenditures. Dues are over budget due to memberships in an increased number of area organizations.

9. COMMITMENTS AND CONTINGENCIES

In an effort to reduce accounts payable related to prior year events, the Authority has agreed to payment plans with several vendors. As of December 31, 2006, future payments are as follows:

2007	\$	47,440
2008	\$	21,265
2009	\$	5,000
2010 and thereafter	\$	10,000

10. GOING CONCERN

As indicated in the accompanying financial statements, in prior years, the Authority experienced recurring losses in the Proprietary Fund. These recurring losses resulted in a net asset deficiency totaling \$197,832 at December 31, 2006. In addition, liabilities totaled \$847,903 at December 31, 2006 with only \$11,467 in cash and accounts receivable available to satisfy these obligations. The effect of these conditions and events is the possible inability to satisfy current obligations. The Authority has aggressively marketed its services in efforts to attract additional revenues. Management has also monitored expenses to a positive budget variance for 2006. Management is very concerned about the financial position of Authority. Management has reached a cooperative endeavor agreement with the Shreveport-Bossier Convention and Tourist Bureau. It is seeking similar agreements with other sources and is continuing to work out payment plans with creditors. The Authority has also temporarily discontinued events requiring a guarantee fee. The ability of the Authority to continue as a going concern is dependent upon the success of these plans. The financial statements do not include any adjustments that might be necessary if the Authority is unable to continue as a going concern.